

ROSENBERG & ESTIS, P.C.
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Howard W. Kingsley
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June 14, 2019

Via E-mail (mkv.chambers@nysb.uscourts.gov) and ECF

The Honorable Mary Kay Vyskocil
United States Bankruptcy Court for the Southern District of New York
One Bowling Green
New York, NY 10004-1408

Re: *In re Foreign Economic Industrial Bank Ltd.* (Case No. 16-13534-MKV);
In re Larissa Markus (Case No. 19-10096-MKV)

Dear Judge Vyskocil:

I write to address certain allegations set forth in the letter to Your Honor from Bruce S. Marks, dated June 10, 2019, regarding the location of proceeds from the sale of real estate in the United Kingdom (the “U.K. Proceeds”) that were transferred to the account of the Larisa Markus Revocable Trust (the “Trust Account”) in the United States.

Mr. Marks is being extremely disingenuous by attempting to place the Discovery Parties and Rosenberg & Estis in a negative light by referring to an email that I sent to him without providing the Court with my subsequent email that clarifies that the recent \$100,000 check made payable to Rosenberg & Estis was deposited on May 31 only after receiving permission from Mr. Marks. The subsequent email which is attached states, in pertinent part, as follows:

“The facts are as follows. Your May 31 letter to the Court referenced two \$100,000 wire transfers to R&E (one on 4/3 and the other on 5/9), totaling \$200,000. We had advised you that the time accrued through the end of May would leave roughly a balance of \$50K (from the \$200K). On Friday afternoon [(May 31)], Warren advised you that we had just received a check for an additional \$100,000, which you undisputedly agreed R&E could deposit and we said we would hold until further agreement or court order. Accordingly, your [May 31] letter to the Court (fn. 2) correctly reflects that the escrow balance being held by R&E is approximately \$150K (the \$50K plus the \$100K check just received) and that R&E has agreed to ‘freeze’ such escrow balance until further agreement or court order.

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In accordance with your request, a copy of the \$100,000 canceled check that Warren voluntarily disclosed is attached to put to rest any meritless claim of wrongdoing with respect to this check" (underscoring in original.)

In addition, contrary to Mr. Marks' statement in his June 10 letter to the Court, Rosenberg & Estis never agreed to provide any bank statements as evidenced by my email attached thereto, which states that my firm was "endeavoring to obtain them."

Thank you for your consideration.

Respectfully submitted,


Howard W. Kingsley

Enclosure

cc: G. Plotko, Esq.
D. Singer, Esq.
B. Marks, Esq.

Kingsley, Howard W.

From: Kingsley, Howard W.
Sent: Wednesday, June 5, 2019 4:54 PM
To: Bruce Marks
Cc: Sergey Sokolov; Ksenia Polyakova; Grigory Galkin; Yulia Cherepanova; Kate Popova; Nina Khan; Plotko, Greg; Dan Singer; Estis, Warren A.; VWORMS@VICTORAWORMSPC.COM
Subject: RE: Case Nos. 16-13534 (MKV) and 19-10096 (MKV): Letter to Judge Vyskocil
Attachments: 2019--0-6--checkdownload-6810.pdf

Bruce,

The facts are as follows. Your May 31 letter to the Court referenced two \$100,000 wire transfers to R&E (one on 4/3 and the other on 5/9), totaling \$200,000. We had advised you that the time accrued through the end of May would leave roughly a balance of \$50K (from the \$200K). On Friday afternoon, Warren advised you that we had just received a check for an additional \$100,000, which you undisputedly agreed R&E could deposit and we said we would hold until further agreement or court order. Accordingly, your letter to the Court (fn. 2) correctly reflects that the escrow balance being held by R&E is approximately \$150K (the \$50K plus the \$100K check just received) and that R&E has agreed to "freeze" such escrow balance until further agreement or court order.

In accordance with your request, a copy of the \$100,000 canceled check that Warren voluntarily disclosed is attached to put to rest any meritless claim of wrongdoing with respect to this check.

This is without prejudice to all of the claims, rights and remedies of R&E and our clients in this matter, all of which are expressly reserved.

Howard

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From: Bruce Marks <marks@mslegal.com>
Sent: Wednesday, June 5, 2019 9:45 AM
To: Kingsley, Howard W. <hkingsley@rosenbergestis.com>
Cc: Sergey Sokolov <ssokolov@mslegal.com>; Ksenia Polyakova <kpolyakova@mslegal.com>; Grigory Galkin <ggalkin@mslegal.com>; Yulia Cherepanova <ycherepanova@mslegal.com>; Kate Popova <kpopova@mslegal.com>;

Nina Khan <nkhan@mslegal.com>; Plotko, Greg <gplotko@rkollp.com>; Dan Singer <dan@dasingerlaw.com>; Estis,

Warren A. <westis@rosenbergestis.com>; VWORMS@VICTORAWORMSPC.COM

Subject: RE: Case Nos. 16-13534 (MKV) and 19-10096 (MKV): Letter to Judge Vyskocil

This message has originated outside your organization.

Howard,

So that there is no confusion, I was under the impression that he was referring to the second \$100,000. I want the copy of the check and the postmarked envelope to determine whether it was signed (possibly backdated) and sent after the order freezing the money. please provide this by 5 pm today. I don't have to explain to you the concerns if your firm has custody of funds which were sent in violation of the order. I worked with you in good faith and I expect the same.

From: Kingsley, Howard W. <hkingsley@rosenbergestis.com>

Sent: Wednesday, June 5, 2019 9:36 AM

To: Bruce Marks <marks@mslegal.com>

Cc: Sergey Sokolov <ssokolov@mslegal.com>; Ksenia Polyakova <kpolyakova@mslegal.com>; Grigory Galkin <ggalkin@mslegal.com>; Yulia Cherepanova <ycherepanova@mslegal.com>; Kate Popova <kpopova@mslegal.com>; Nina Khan <nkhan@mslegal.com>; Plotko, Greg <gplotko@rkollp.com>; Dan Singer <dan@dasingerlaw.com>; Estis, Warren A. <westis@rosenbergestis.com>; VWORMS@VICTORAWORMSPC.COM

Subject: RE: Case Nos. 16-13534 (MKV) and 19-10096 (MKV): Letter to Judge Vyskocil

Bruce,

There should be no confusion.

On Friday morning, we advised you that R&E would be holding a balance of approximately \$50,000.

On Friday afternoon, Warren advised you that we had just received a check for an additional \$100,000, which you agreed R&E could deposit and we said we would hold until further agreement or court order.

Howard

Howard W. Kingsley

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From: Bruce Marks <marks@mslegal.com>

Sent: Friday, May 31, 2019 10:49 PM

To: Kingsley, Howard W. <hkingsley@rosenbergestis.com>
Cc: Sergey Sokolov <ssokolov@mslegal.com>; Ksenia Polyakova <kpolyakova@mslegal.com>; Grigory Galkin <ggalkin@mslegal.com>; Yulia Cherepanova <ycherepanova@mslegal.com>; Kate Popova <kpopova@mslegal.com>; Nina Khan <nkhan@mslegal.com>; Plotko, Greg <gplotko@rkollp.com>; Dan Singer <dan@dasingerlaw.com>; Estis, Warren A. <westis@rosenbergestis.com>; VWORMS@VICTORAWORMSPC.COM
Subject: RE: Case Nos. 16-13534 (MKV) and 19-10096 (MKV): Letter to Judge Vyskocil

This message has originated outside your organization.

Warren, howard:

I am a little confused about the \$100,000 check which you said you just received. I assumed that this was the second \$100,000 retainer, which was reflected in the statement and our letter. Am I correct? If not, when was this check signed and who signed it? thanks.

From: Kingsley, Howard W. <hkingsley@rosenbergestis.com>
Sent: Friday, May 31, 2019 4:52 PM
To: Bruce Marks <marks@mslegal.com>
Cc: Sergey Sokolov <ssokolov@mslegal.com>; Ksenia Polyakova <kpolyakova@mslegal.com>; Grigory Galkin <ggalkin@mslegal.com>; Yulia Cherepanova <ycherepanova@mslegal.com>; Kate Popova <kpopova@mslegal.com>; Nina Khan <nkhan@mslegal.com>; Plotko, Greg <gplotko@rkollp.com>; Dan Singer <dan@dasingerlaw.com>; Estis, Warren A. <westis@rosenbergestis.com>; VWORMS@VICTORAWORMSPC.COM
Subject: RE: Case Nos. 16-13534 (MKV) and 19-10096 (MKV): Letter to Judge Vyskocil

Bruce,

After we received this letter, Warren and I called you to clarify two things you said in the letter. This email confirms our conversation.

On our conversation earlier today at about noon, Warren and I did not “indicate[] that Mr. Bykov will freeze monies in the possession of the LM entities, including Protax,” as we stated that only Protax agreed. In any event, after receiving your letter, we spoke with Mr. Bykov who has agreed to freeze monies in the possession of the “LM Entities,” which term you agreed means, in addition to Protax, “LM Property Management LLC, LM Realty 31B LLC and Larisa Markus Revocable Trust” (the entities which have the bolded, italicized entries in your letter).

We also advised you that Warren and I did not agree to provide any accounting. This confirms that, in lieu of any “accounting,” you agreed that you will accept the bank statements from Protax and the LM Entities (as defined above) for the month of May, which are endeavoring to obtain.

Have a nice weekend,

Howard

Howard W. Kingsley

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hkingsley@rosenbergestis.com | www.rosenbergestis.com

From: Nina Khan <nkhan@mslegal.com>

Sent: Friday, May 31, 2019 4:21 PM

To: Plotko, Greg <gplotko@rkollp.com>; Dan Singer <dan@dasingerlaw.com>; Kingsley, Howard W.

<hkingsley@rosenbergestis.com>; Estis, Warren A. <westis@rosenbergestis.com>; VWORMS@VICTORAWORMSPC.COM

Cc: Sergey Sokolov <ssokolov@mslegal.com>; Ksenia Polyakova <kpolyakova@mslegal.com>; Grigory Galkin

<ggalkin@mslegal.com>; Yulia Cherepanova <ycherepanova@mslegal.com>; Kate Popova <kpopova@mslegal.com>;

Bruce Marks <marks@mslegal.com>

Subject: Case Nos. 16-13534 (MKV) and 19-10096 (MKV): Letter to Judge Vyskocil

This message has originated outside your organization.

Counsel:

Attached please find a letter from Bruce Marks to Judge Vyskocil that was filed today via the ECF system in the above-referenced *Bank* and *Markus* cases.

Nina Farzana Khan, Esquire

nkhan@mslegal.com

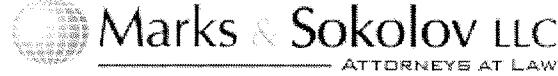
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JPMORGAN CHASE & CO.

Check Search Results

The details presented in this document were requested by the customer. Go to subsequent pages to see check details.

Check Search Results

Checks displayed: 1

Account number: [REDACTED] 6810

Date range:

Check number(s):

Amount:

Post date: 05/31/2019
Amount: \$ 100000.00

Account: [REDACTED] 6810
Check Number: 1188

